



North Carolina Department of Commerce Housing & Business Redevelopment

James T. Fain, III, Secretary

Eugene Byrd, Director

POLICY MEMORANDUM #12

TO: Housing Recovery Assistance Centers, Local Governments

FROM: Eugene Byrd

SUBJECT: Income qualifications

DATE: April 25, 2001

Recent questions have arisen about income qualifications for the R&R program. Our general guideline has always been to use whatever verifiable income would make the victim eligible. In re-reading our earlier policy memos, I find that this specific issue really isn't addressed.

It will continue to be our policy to interpret income guidelines as broadly as possible so as to benefit the victim. However, I do have some concern that some LGU's may be interpreting their income guidelines more narrowly than others, thereby excluding eligible applicants. Specifically, two areas need clarification.

1. Family income has increased since Floyd- If the homeowner's income was not sufficient for them to qualify for a SBA loan at the time of the disaster, that primary form of federal disaster assistance has been permanently denied to them. Even if their current income has increased to the point that they might be able to afford those payments today, the SBA application deadline has passed and they can no longer be considered for a SBA loan. Therefore, this family should have their income verified as of the earlier date and their income qualification based on the 2000 median income chart.

2. Family income has decreased since Floyd -If a family was denied by SBA at the time of the disaster and since then their income has declined even further, current income should be used to determine eligibility as compared to the 2000 median income chart. Use of today's income figures would be consistent with our policy of inclusion.

The LGU/consultant should not re-verify current income with the homeowner. The math in the file should be checked and the income tested against the area median to verify eligibility, but the applicant should not be contacted to provide additional, current income figures. If necessary

North Carolina. A Better Place To Be

301 North Wilmington Street • 4343 Mail Service Center • Raleigh, North Carolina 27699-4343

Tel: (919) 733-3001 • Fax: (919) 733-2026

An Equal Opportunity/Affirmative Action Employer

Page 2
Income Qualifications
April 25, 2001

income or other data is missing from the file, the LGU/consultant should work through the housing counselor to secure that information.

We realize that administration of the program would be simplified by the use of a standardized, "one size fits all," hard and fast rule. Fortunately, that is not the policy of this program. The intent of this program is to assist as many low income Floyd victims as possible as they struggle to recover from this disaster and some flexibility in income standards assists us in achieving that goal. If I may provide further clarification, please give me a call.